



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION III  
1650 Arch Street  
Philadelphia, Pennsylvania 19103-2029

Mr. Jeffrey K. Warmann  
Manager  
Monroe Energy, LLC  
Trainer Refinery  
4101 Post Road  
Trainer, PA 19061

MAY 09 2016

Ms. Christine Boucher  
Shared Services Council  
Delta Air Lines, Inc.  
P.O. Box 20574  
Atlanta, GA 30320-2574

Re: United States et al. v. Phillips 66 Company et al.  
Civil Action No. H-05-0258  
(S.D. Texas, December 5, 2005)  
Consent Decree Based Fluidized Catalytic Cracking Unit (FCCU) PM limit  
Noncompliance  
Stipulated Penalty Demand Letter

Dear Mr. Warmann and Ms. Boucher:

On December 4 and 5, 2014, Monroe Energy, LLC, Trainer Refinery performed a source test of the FCCU pursuant to Paragraph 83 of the Consent Decree entered in the above-referenced action (Federal Consent Decree) and pursuant to TVOP-23-00003, Section D, Source 101: FCCU, Condition No. 005(b). The Pennsylvania Department of Environmental Protection's (DEP) Source Testing Section completed its review of the test results on May 29, 2015. The PM (EPA Method 5B) emissions measured at the FCCU wet gas scrubber outlet were 0.67 lb/1000 lb coke burned, which exceeds the 0.5 lb/1000 lb coke burned limit established in Paragraph 77 of the Federal Consent Decree and Condition No. 001(d), Source 101: FCCU, Section D of TVOP-23-00003. A stipulated penalty in the amount of \$315,000 is being assessed for this violation of Monroe Energy, LLC's Federal Consent Decree.

An investigation into the cause of the failed stack test was conducted by Monroe. As stated in the Root Cause Analysis, dated April 23, 2015, only four of the eight electrostatic precipitator rectifier compartments were determined to be functional at the time of the source test. On March 19, 2015 repairs to two of the compartments of Rectifier Set No. 3 were completed. Following repairs, a retest was conducted on April 1, 2015. The DEP Source Testing Section completed its review of the test results on October 13, 2015. The PM (EPA Method 5B) emissions measured at the FCCU wet gas scrubber outlet during the retest were 0.45 lb/1000 lb coke burned.

Paragraph 301 of the Consent Decree states that the stipulated penalty for failure to meet the PM



emission limit for the FCCU is \$3,000 for each calendar day in a calendar quarter on which the refinery exceeds the limit. The United States Environmental Protection Agency (EPA) and DEP calculated the stipulated penalty as displayed in the below table. The stipulated penalty is calculated from and including the date noncompliance was demonstrated (December 5, 2014) to and including the date repairs were completed (March 19, 2015).

<b>Month 2014-2015</b>	<b>Days</b>	<b>Stipulated Penalty</b>
Dec	27	\$81,000
Jan	31	93,000
Feb	28	84,000
Mar	19	57,000
<b>Total</b>		<b>\$315,000</b>

Pursuant to Paragraph 010 of the Fourth Amendment to the Consent Decree and pursuant to Paragraph 376 of the original Consent Decree (which remained in effect pursuant to the Fourth Amendment), this letter is a written demand for stipulated penalties in the amount of \$315,000. The United States through EPA has consulted with the Commonwealth of Pennsylvania, through DEP, and the DEP concurs in this demand.

Monroe Energy, LLC shall split the stipulated penalties between the United States and the Commonwealth of Pennsylvania as follows: \$157,500 to the United States and \$157,500 to the Commonwealth of Pennsylvania. By countersigning the letter below, Monroe Energy agrees to make these payments. Please return the signed letter to Donna L. Mastro, Air Branch Chief (3RC10), Office of Regional Counsel, EPA Region III, 1650 Arch Street, Philadelphia, PA 19103.

Monroe Energy, LLC shall submit the payment of the penalty in accordance with the provisions in Paragraph 377 of the Federal Consent Decree. For the \$157,500 payment to the Commonwealth of Pennsylvania, Monroe Energy, LLC shall send the payment in accordance with Paragraph 284 of the Federal Consent Decree. For the \$157,500 payment to the United States, Monroe Energy, LLC shall receive, consistent with Paragraph 281 of the Federal Consent Decree, EFT instructions from the US Department of Justice upon receipt of this letter as countersigned by Monroe Energy, LLC.

If you have any questions concerning this matter, feel free to contact me at the above address or telephone number.

Sincerely,



Mary B. Coe  
Regional Counsel



Agreed to by Monroe Energy, LLC:



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Cc: Chief, Environmental Enforcement Section - U.S. Department of Justice  
Director, Air Enforcement Division, Office of Regulatory Enforcement - U.S. EPA  
Chief, Air Enforcement Branch - EPA Region III  
Heather Henry – Air Quality Specialist, DEP Southeast Office  
Matrix Engineering  
Erin Willard - EPA, Region III  
Matt Torell - Monroe Energy, LLC  
Annette Lang, US DOJ

Chief  
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Environmental and Natural Resources Division  
U.S. Department of Justice  
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DJ No. 90-5-2-1-06722/1

Director, Air Enforcement Division  
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Office of Regulatory Enforcement  
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Associate Director  
Office of Air Enforcement & Compliance Assistance (3AP20)  
Environmental Protection Agency, Region III  
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Regional Manager, Air Quality  
Pennsylvania Department of Environmental Protection  
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